

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02483A
Tonto Hills Utility Company
11802 E. Blue Wash Rd
Cave Creek, AZ 85331

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-18-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Tonto Hills Utility Co.</u>		
Mailing Address <u>11802 E. BLUE WASH RD.</u>		
<u>CAVE CREEK</u> (City)	<u>AZ.</u> (State)	<u>85331</u> (Zip)
<u>480 488 0253</u> Telephone No. (Include Area Code)	<u>480 922 9872</u> Fax No. (Include Area Code)	<u>—</u> Pager/Cell No. (Include Area Code)
Email Address <u>—</u>		
Local Office Mailing Address <u>AS ABOVE</u>		
<div style="text-align: center;">(Street)</div>		
<div style="text-align: center;">(City)</div>	<div style="text-align: center;">(State)</div>	<div style="text-align: center;">(Zip)</div>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>—</u>		

MANAGEMENT INFORMATION

Management Contact: <u>DONALD J. UNTHANK</u>			<u>PRES.</u>			
<div style="text-align: center;">(Name)</div>			<div style="text-align: center;">(Title)</div>			
<u>11802 E. BLUE WASH RD.</u>			<u>CAVE CREEK</u>			
<div style="text-align: center;">(Street)</div>			<div style="text-align: center;">(City)</div>			
<u>AZ.</u>	<u>85331</u>		<div style="text-align: center;">(State)</div>			<div style="text-align: center;">(Zip)</div>
<u>480 488 0253</u>	<u>480 922 9872</u>		<u>—</u>			
<div style="text-align: center;">Telephone No. (Include Area Code)</div>			<div style="text-align: center;">Fax No. (Include Area Code)</div>			<div style="text-align: center;">Pager/Cell No. (Include Area Code)</div>
Email Address <u>—</u>						
On Site Manager: <u>LOU FREDERICK</u>						
<div style="text-align: center;">(Name)</div>						
<u>11431 E. MANANA</u>			<u>CAVE CREEK</u>			
<div style="text-align: center;">(Street)</div>			<div style="text-align: center;">(City)</div>			
<u>AZ.</u>	<u>85331</u>		<div style="text-align: center;">(State)</div>			<div style="text-align: center;">(Zip)</div>
<u>480 575 3075</u>	<u>480 486 9389</u>		<u>—</u>			
<div style="text-align: center;">Telephone No. (Include Area Code)</div>			<div style="text-align: center;">Fax No. (Include Area Code)</div>			<div style="text-align: center;">Pager/Cell No. (Include Area Code)</div>
Email Address <u>—</u>						

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: ROBERT A. JOHNSTON JR.
 (Name)
6702 E. CAVE CREEK RD. #4 CAVE CREEK, AZ
 (Street) (City) (State) (Zip)
480 488 3825 480 488 5571
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
 Attorney: LOOSE, BROWN & ASSOCIATES, P.C.
 (Name)
11209 N. TATUM BLVD. SUITE 130 PHOENIX, AZ 85028
 (Street) (City) (State) (Zip)
602 971 4800
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

Tonto Hills Utility Co.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	385		385
302	Franchises			
303	Land and Land Rights	448219		448219
304	Structures and Improvements	2277	1110	1167
307	Wells and Springs	50197	45726	4471
311	Pumping Equipment	47247	22285	24962
320	Water Treatment Equipment	26269	16995	9274
330	Distribution Reservoirs and Standpipes	12200	9140	3060
331	Transmission and Distribution Mains	136063	123095	12968
333	Services	14598	7563	7035
334	Meters and Meter Installations	3650	2256	1394
335	Hydrants	1325	431	894
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	6231	2765	3466
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	14150	3363	10787
348	Other Tangible Plant			
	TOTALS	762811	234729	528082

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Tonto Hills Utility Co.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	385		
302	Franchises			
303	Land and Land Rights	448219	5%.	
304	Structures and Improvements	2277		114
307	Wells and Springs	50197		2510
311	Pumping Equipment	47247		2362
320	Water Treatment Equipment	26269		1313
330	Distribution Reservoirs and Standpipes	12200		610
331	Transmission and Distribution Mains	136063		6803
333	Services	14598		730
334	Meters and Meter Installations	3650		183
335	Hydrants	1325		66
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	6231	5%.	312
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment	14150	5%.	707
348	Other Tangible Plant			
	TOTALS	762811		15710

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

COMPANY NAME

Tonto Hills Utility Co.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 38,147	\$ 24,915
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	12,133	11,075
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	788	751
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 64,780	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$ 762,811	\$ 762,811
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(21,901.8	(22,537.1
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 543,793	\$ 537,440
		(351.8	
	TOTAL ASSETS	\$ 540,275	\$ 537,440

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Tonto Hills Utility Co.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	18229	2373
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	208	208
	TOTAL CURRENT LIABILITIES	\$ 2552	\$ 2581
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 238819	\$ 265839
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 241371	\$ 268420
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$66000	\$66000
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	379965	203020
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 445965	\$ 269020
	TOTAL LIABILITIES AND CAPITAL	\$687336	\$537440

COMPANY NAME

Tonto Hills Utility Co.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 133,172	\$ 143,983
460	Unmetered Water Revenue	0	
474	Other Water Revenues	295	140
	TOTAL REVENUES	\$ 133,467	\$ 144,123
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 6534	\$ 6264
610	Purchased Water	35893	41065
615	Purchased Power	571	389
618	Chemicals	0	0
620	Repairs and Maintenance	1537	1092
621	Office Supplies and Expense	2419	2274
630	Outside Services	33851	9553
635	Water Testing	2980	2279
641	Rents		
650	Transportation Expenses		592
657	Insurance – General Liability	6740	6694
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		8130
675	Miscellaneous Expense	312	22753
403	Depreciation Expense	15710	462
408	Taxes Other Than Income	0	0
408.11	Property Taxes	4012	4296
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 110,559	\$ 105,843
	OPERATING INCOME/(LOSS)	\$ 22,908	\$ 38,280
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 52	\$ 43
421	Non-Utility Income	2636	
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(16509)	(14622)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (13821)	\$ (14579)
	NET INCOME/(LOSS)	\$ 9087	\$ 23701

COMPANY NAME

TONTON HILLS UTILITY Co.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	12.17.99			
Source of Loan	WIFA			
ACC Decision No.	62286			
Reason for Loan	CAP WATER			
Dollar Amount Issued	\$ 285,241 ⁶⁰	\$	\$	\$
Amount Outstanding	\$ 229,318 ²¹	\$	\$	\$
Date of Maturity	01.01.2020			
Interest Rate	6.2 %	%	%	%
Current Year Interest	\$ 14,621 ⁸⁰	\$	\$	\$
Current Year Principle	\$ 9501	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 19,010.

Meter Deposits Refunded During the Test Year

\$

COMPANY NAME	TONTA HILLS UTILITY CO.		
Name of System	07-076	ADEQ Public Water System Number (if applicable)	07-076

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-524-069	7.5	11.1	990	8"	Two 3/4	7.
ABOVE WELL WAS DECOMMISSIONED ON 12/27/05 AND HAS NOT BEEN USED SINCE APRIL 28/04						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
C.A.P. WATER THRU CITY OF SCOTTSDALE SYSTEM	20/70	

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
SEE "WELLS"	ABOVE		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
67,000 GAL	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Tonto Hills Utility Co.
Name of System	ADEQ Public Water System Number (if applicable) 07-076

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC (8-800)	3218'±
3		
4	A.P.C.	19050'±
5		
6	A.P.C.	6140'±
8		
10		
12		
4"	PVC (8-800)	4460'±

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	129
3/4	
1	1
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

NONE

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: <u>Tonto Hills Utility Co.</u>	
Name of System	ADEQ Public Water System Number (if applicable) <u>07-076</u>

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	127	737,579		880,900
FEBRUARY	127	758,505	WELL	825,300
MARCH	128	773,983	NOT IN	793,500
APRIL	129	742,206	USE AFTER	943,900
MAY	128	928,564	26 APRIL	951,900
JUNE	129	933,352	2004	1,063,000
JULY	130	746,060		962,800
AUGUST	129	1,054,186		1,147,500
SEPTEMBER	129	703,424		833,000
OCTOBER	129	668,438		779,300
NOVEMBER	129	757,222		816,300
DECEMBER	130	825,904		803,000
TOTALS →		9,627,423		10,800,500

What is the level of arsenic for each well on your system? NO WELLS N/A mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☐ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Tonto Hills Utility Co. YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 4295⁶⁸

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa County</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Robert A. Johnston, Jr.</u>
COMPANY NAME	<u>Foothills Accounting, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

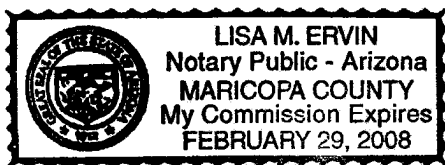
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2006</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



Robert A. Johnston, Jr.
SIGNATURE OF OWNER OR OFFICIAL
480 488 3825
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

COUNTY NAME	<u>Maricopa County</u>	
MONTH	<u>April 10</u>	<u>2007</u>

(SEAL)

Lisa M. Ervin
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 2-29-08

COMPANY NAME Tenno Hills Utility Co. YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

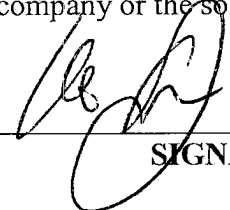
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0
Amount of Gross-Up Tax Collected 0
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4/10/07

DATE

Robert A. Johnston Jr.

PRINTED NAME

President

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>MARICOPA County</u>
NAME (OWNER OR OFFICIAL) TITLE <u>ROBERT A. JOHNSTON JR.</u>
COMPANY NAME <u>FOOTHILLS ACCOUNTING, INC.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

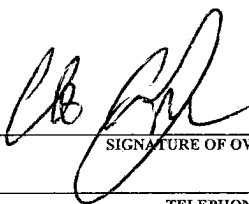
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 143776

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 9057
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10-11

(SEAL)



LISA M. ERVIN
Notary Public - Arizona
MARICOPA COUNTY
My Commission Expires
FEBRUARY 29, 2008

COUNTY NAME <u>MARICOPA County</u>
MONTH <u>April</u>
YEAR <u>2007</u>



SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 2-29-08

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	MARICOPA County
NAME (OWNER OR OFFICIAL)	Robert A Johnson, JR. <small>TITLE</small> President
COMPANY NAME	Foothills Accounting, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

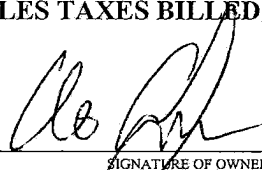
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 143,776

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 9057
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**



SIGNATURE OF OWNER OR OFFICIAL
480 488 3825

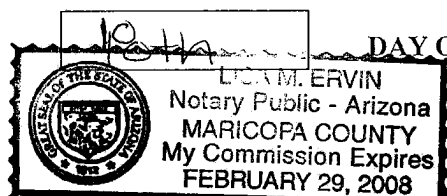
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

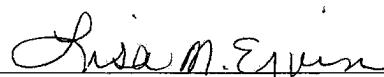
THIS 12th **DAY OF**

(SEAL)



MY COMMISSION EXPIRES 2-29-08

NOTARY PUBLIC NAME	
COUNTY NAME MARICOPA County	
MONTH April	2007

X 

SIGNATURE OF NOTARY PUBLIC

Form **1120S**Department of the Treasury
Internal Revenue Service**U.S. Income Tax Return for an S Corporation**

► Do not file this form unless the corporation has filed Form 2553
to elect to be an S corporation.
► See separate instructions.

OMB No. 1545-0130

2006

For calendar year 2006 or tax year beginning , 2006, ending

A Effective date of S election 5/11/1986	Use the IRS label. Otherwise, print or type.	TONTA HILLS UTILITY COMPANY 42062 N. TURQUOISE LANE CAVE CREEK, AZ 85331	C Employer identification number 86-0574821
B Business activity code number (see instructions) 221300			D Date incorporated 5/11/1986
			E Total assets (see instructions) \$ 537,440.

F Check if: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter the number of shareholders in the corporation at the end of the tax year. 9

H Check if Schedule M-3 is required (attach Schedule M-3). ☐

Caution. Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

I N C O M E	1 a Gross receipts or sales.	144,123.	b Less returns and allowances.		c Bal	1 c	144,123.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	144,123.
	4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					4	
	5 Other income (loss) (attach statement)	See Statement.				5	2,318.
	6 Total income (loss). Add lines 3 through 5					6	146,441.
D E D U C T I O N S	7 Compensation of officers.					7	2,700.
	8 Salaries and wages (less employment credits)					8	3,045.
	9 Repairs and maintenance					9	1,092.
	10 Bad debts.					10	
	11 Rents.					11	
	12 Taxes and licenses					12	6,138.
	13 Interest					13	14,622.
	14 Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)					14	5,121.
	15 Depletion (Do not deduct oil and gas depletion.)					15	
	16 Advertising.					16	
	17 Pension, profit-sharing, etc, plans					17	
S E E I N S T R U C T I O N S	18 Employee benefit programs					18	
	19 Other deductions (attach statement)	See Statement.				19	92,249.
	20 Total deductions. Add lines 7 through 19.					20	124,967.
	21 Ordinary business income (loss). Subtract line 20 from line 6.					21	21,474.
T A X A N D P A Y M E N T S	22 a Excess net passive income or LIFO recapture tax (see instructions)	22 a				22 c	
	b Tax from Schedule D (Form 1120S)	22 b					
	c Add lines 22a and 22b (see instructions for additional taxes)						
	23 a 2006 estimated tax payments and 2005 overpayment credited to 2006	23 a				23 e	
	b Tax deposited with Form 7004.	23 b					
	c Credit for federal tax paid on fuels (attach Form 4136)	23 c					
	d Credit for federal telephone excise tax paid (attach Form 8913)	23 d					
	e Add lines 23a through 23d.						
	24 Estimated tax penalty (see instructions). Check if Form 2220 is attached.					24	
	25 Amount owed. If line 23e is smaller than the total of lines 22c and 24, enter amount owed					25	0.
26 Overpayment. If line 23e is larger than the total of lines 22c and 24, enter amount overpaid.					26		
27 Enter amount from line 26 Credited to 2007 estimated tax			Refunded		27		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)?

☒ Yes ☐ No

Paid Preparer's Use Only	Preparer's signature	► ROBERT A. JOHNSTON, JR	Date		Check if self-employed	<input type="checkbox"/>	Preparer's SSN or PTIN	P00087337
	Firm's name (or yours if self-employed), address, and ZIP code	Foothills Accounting, Inc. 6702 E. Cave Creek Rd. #3 Cave Creek, AZ 85331			EIN	86-0929919		
	Phone no.	(480) 488-3825						

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SPSA0105L 01/05/07

Form 1120S (2006)

Schedule A Cost of Goods Sold (see instructions)

1	Inventory at beginning of year.....	1	
2	Purchases.....	2	
3	Cost of labor.....	3	
4	Additional section 263A costs (attach statement).....	4	
5	Other costs (attach statement).....	5	
6	Total. Add lines 1 through 5.....	6	
7	Inventory at end of year.....	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2.....	8	

9a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (Specify method used and attach explanation.) _____

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c). ☐ Yes ☐ No**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ☐ Yes ☐ No**d** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. **9d** _____**e** If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☐ No**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation. ☐ Yes ☐ No**Schedule B Other Information** (see instructions)

	Yes	No
1 Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ _____		
2 See the instructions and enter the: a Business activity ▶ <u>WATER UTILITY</u> b Product or service... ▶ <u>SERVICE</u>		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If 'Yes,' attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a QSub election made?.....		X
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?.....		X
5 Has this corporation filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?.....		X
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount. <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years..... ▶ \$ _____		
8 Enter the accumulated earnings and profits of the corporation at the end of the tax year..... \$ _____		
9 Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L and M-1.....		X

Note: If the corporation, at any time during the tax year, had assets or operated a business in a foreign country or U.S. possession, it may be required to attach **Schedule N (Form 1120)**, Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.**Schedule K Shareholders' Pro Rata Share Items**

	Total amount
1 Ordinary business income (loss) (page 1, line 21).....	1 21,474.
2 Net rental real estate income (loss) (attach Form 8825).....	2
3a Other gross rental income (loss)..... 3a	
b Expenses from other rental activities (attach statement)..... 3b	
c Other net rental income (loss). Subtract line 3b from line 3a..... 3c	
4 Interest income.....	4
5 Dividends: a Ordinary dividends..... 5a	
b Qualified dividends..... 5b	
6 Royalties.....	6
7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).....	7
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))..... 8a	
b Collectibles (28%) gain (loss)..... 8b	
c Unrecaptured section 1250 gain (attach statement)..... 8c	
9 Net section 1231 gain (loss) (attach Form 4797).....	9
10 Other income (loss) (see instructions).....	10

INCOME (LOSS)

Shareholders' Pro Rata Share Items (continued)		Total amount	
Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions See Statement 3	12a	407.
	b Investment interest expense	12b	
	c Section 59(e)(2) expenditures (1) Type ▶ (2) Amount. ▶	12c (2)	
	d Other deductions (see instructions) .. Type ▶	12d	
Credits	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits (see instrs) Type ▶	13d	
	e Other rental credits (see instrs) Type ▶	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits (see instructions) .. Type ▶	13g	
Foreign Transactions	14a Name of country or U.S. possession		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level		
	d Passive	14d	
	e Listed categories (attach statement)	14e	
	f General limitation	14f	
	Deductions allocated and apportioned at shareholder level		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income		
	i Passive	14i	
	j Listed categories (attach statement)	14j	
	k General limitation	14k	
Other information			
l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	14l		
m Reduction in taxes available for credit (attach statement)	14m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	-462.
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties – gross income	15d	
	e Oil, gas, and geothermal properties – deductions	15e	
	f Other AMT items (attach statement)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach statement)		
Reconciliation	18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and lines 14l ..	18	21,067.

BAA

Form 1120S (2006)

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		38,147.		24,915.
2a	Trade notes and accounts receivable	12,133.		11,075.	
b	Less allowance for bad debts.		12,133.		11,075.
3	Inventories.				
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach stmt) ... See St. 4.		788.		751.
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	313,250.		313,250.	
b	Less accumulated depreciation	288,439.	24,811.	293,560.	19,690.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)		35,282.		35,282.
13a	Intangible assets (amortizable only)	-2,318.		-2,318.	
b	Less accumulated amortization		-2,318.		-2,318.
14	Other assets (attach stmt) ... See St. 5.		433,251.		448,045.
15	Total assets		542,094.		537,440.
Liabilities and Shareholders' Equity					
16	Accounts payable				
17	Mortgages, notes, bonds payable in less than 1 year.				
18	Other current liabilities (attach stmt) ... See St. 6.		2,760.		2,581.
19	Loans from shareholders				
20	Mortgages, notes, bonds payable in 1 year or more.				
21	Other liabilities (attach statement) ... See St. 7.		267,220.		265,839.
22	Capital stock		66,000.		66,000.
23	Additional paid-in capital				
24	Retained earnings		211,648.		232,715.
25	Adjustments to shareholders' equity (att stmt) St. 8.		-5,534.		-29,695.
26	Less cost of treasury stock				
27	Total liabilities and shareholders' equity		542,094.		537,440.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more — see instructions

1	Net income (loss) per books	21,067.	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14i (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14i, not charged against book income this year (itemize):	
a	Depreciation	\$	a	Depreciation ... \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	0.
4	Add lines 1 through 3	21,067.	8	Income (loss) (Schedule K, Ln 18). Ln 4 less Ln 7 ...	21,067.

Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	168,079.	
2	Ordinary income from page 1, line 21	21,474.	
3	Other additions		
4	Loss from page 1, line 21		
5	Other reductions ... See Statement 9	(407.)	
6	Combine lines 1 through 5	189,146.	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	189,146.	



MARICOPA COUNTY
TREASURER
 DAVID SCHWEIKERT, TREASURER
 301 W JEFFERSON ST - RM 100
 PHOENIX, AZ 85003-2199

TO UPDATE YOUR MAILING ADDRESS

please go to:

<http://treasurer.maricopa.gov>

PROPERTY DESCRIPTION

SEC/LOT 115 TWN/BLK RNG/TR

TONTA HILLS

*Property address: 11228 N HOHOKAM RD

MARICOPA COUNTY
2006 PROPERTY TAX
STATEMENT



976 992 *****AUTO**SCH 5-DIGIT 85327
 TONTA HILLS UTILITY COMPANY
 11802 E BLUE WASH RD
 CAVE CREEK, AZ 85331-2841

SIGN UP FOR "PARCEL WATCH"
 and receive an e-mail reminder for
 second half payments.
<http://treasurer.maricopa.gov>

\$25.00 CHARGE IF CHECK
 FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

Primary (limited) Assessed Value 13,286

Secondary Assessed Value 19,300

Tax Area Code: 930000

	CONTACT #	COMPARATIVE 2005 AMT	RATE / 100	2006 AMT DUE
PRIMARY				
CAVE CREEK UNIFIED	(480) 575-2000	248.78	252.15	335.00
GENERAL COUNTY FUND	(602) 506-8511	135.05	117.94	156.70
COMMUNITY COLLEGE DIST.	(480) 731-8621	100.81	88.15	117.12
EDUCATION EQUALIZATION	(602) 506-8511	49.16	0000	.00
STATE AID	(602) 506-8511	-86.38	CREDIT	-120.60
SUBTOTAL		445.42	458.24	488.22
SECONDARY				
FLOOD CONTROL OF MARICOPA COUNTY	(602) 506-1501	40.90	20.47	39.50
CENTRAL ARIZONA WATER CONSV. DIST.	(623) 869-2333	23.16	12.00	23.16
FIRE DISTRICT ASSISTANCE	(602) 506-8511	1.34	0068	1.32
COUNTY LIBRARY	(602) 852-3000	10.06	0507	9.78
COUNTY HEALTHCARE DISTRICT	(602) 344-5978	23.28	1184	22.86
BONDS				
-COUNTY		.00	0000	.00
-CITY		.00	0000	.00
-SCHOOLS		168.01	9935	191.74
-COMMUNITY COLLEGE		26.61	1831	35.34
SCHOOL DISTRICT OVERRIDES		47.66	2475	47.76
SUBTOTAL		341.02	192.47	371.46
SPECIAL DISTRICT	DISTRICT #			
pd \$429.84 -10/25/06 ck #0764				
		786.44	TOTAL FOR 2006	859.68

*Property address is provided by the Maricopa County Assessor's Office.

(299534 = PRTCNTL)

DETACH AND RETURN WITH PAYMENT



2006 SECOND HALF PAYMENT STUB
DUE MARCH 1, 2007
DELINQUENT AFTER MAY 1, 2007

TONTA HILLS UTILITY COMPANY

MAKE CHANGES TO MAILING ADDRESS BELOW
 OR GO TO <http://treasurer.maricopa.gov>

2

MAKE CHECK PAYABLE TO:

Maricopa County Treasurer
 P O Box 52133
 Phoenix, AZ 85072-2133

PARCEL/ACCOUNT # 219-12-115-0

PRINT THE ABOVE PARCEL / ACCOUNT
 NUMBER ON YOUR CHECK

U.S. FUNDS ONLY

SECOND HALF \$429.84

PLEASE REMEMBER YOUR SECOND HALF PAYMENT IS DUE IN MARCH
 AND THAT NO ADDITIONAL NOTIFICATION IS SENT.

0600000000200000859680000042984219121150000



**MARICOPA COUNTY
TREASURER**
DAVID SCHWEIKERT, TREASURER
301 W JEFFERSON ST - RM 100
PHOENIX, AZ 85003-2199

TO UPDATE YOUR MAILING ADDRESS
please go to:
<http://treasurer.maricopa.gov>

PROPERTY DESCRIPTION

SEC/LOT TWN/BLK RNG/TR

TOTAL VALUE OF OPERATING PROPERTY

*Property address: SITUS ADDRESS NOT AVAILABLE.

**MARICOPA COUNTY
2006 PROPERTY TAX
STATEMENT**



971 987 *****AUTO**SCH 5-DIGIT 85327
TONTON HILLS UTILITY CO
11802 E BLUE WASH RD
CAVE CREEK, AZ 85331-2841

SIGN UP FOR "PARCEL WATCH"
and receive an e-mail reminder for
second half payments.
<http://treasurer.maricopa.gov>

\$25.00 CHARGE IF CHECK
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

Primary (limited) Assessed Value 55,860

Secondary Assessed Value 55,860

Tax Area Code: 930000

	CONTACT #	COMPARATIVE 2005 AMT	RATE / 100	2006 AMT DUE
PRIMARY				
CAVE CREEK UNIFIED	(480) 575-2000	1186.83	25215	1408.50
GENERAL COUNTY FUND	(602) 506-8511	649.43	11794	658.81
COMMUNITY COLLEGE DIST.	(480) 731-8621	484.78	8815	492.41
EDUCATION EQUALIZATION	(602) 506-8511	236.42	0000	.00
SUBTOTAL		2557.46	45824	2559.72
SECONDARY				
FLOOD CONTROL OF MARICOPA COUNTY	(602) 506-1501	12.16	2047	11.56
CENTRAL ARIZONA WATER CONSV. DIST.	(623) 869-2333	65.10	1200	67.04
FIRE DISTRICT ASSISTANCE	(602) 506-8511	3.74	0068	3.80
COUNTY LIBRARY	(602) 652-3000	28.28	0507	28.32
COUNTY HEALTHCARE DISTRICT	(602) 344-5978	65.42	1184	66.14
BONDS				
-COUNTY		.00	0000	.00
-CITY		.00	0000	.00
-SCHOOLS		472.25	9935	554.96
-COMMUNITY COLLEGE		74.81	1831	102.28
SCHOOL DISTRICT OVERRIDES		133.94	2475	138.26
SUBTOTAL		855.70	19247	972.36
SPECIAL DISTRICT	DISTRICT #			
pd \$ 1766.04 10/25/06 ck# 0763				
		3413.16	TOTAL FOR 2006	3532.08

*Property address is provided by the Maricopa County Assessor's Office.

(298131 = PRTCNTL)

DETACH AND RETURN WITH PAYMENT



2006 SECOND HALF PAYMENT STUB
DUE MARCH 1, 2007
DELINQUENT AFTER MAY 1, 2007

TONTON HILLS UTILITY CO

MAKE CHANGES TO MAILING ADDRESS BELOW
OR GO TO <http://treasurer.maricopa.gov>

2

MAKE CHECK PAYABLE TO:

Maricopa County Treasurer
P O Box 52133
Phoenix, AZ 85072-2133

PARCEL/ACCOUNT # 627-39-300-7

PRINT THE ABOVE PARCEL / ACCOUNT
NUMBER ON YOUR CHECK

U.S. FUNDS ONLY

SECOND HALF \$1,766.04

PLEASE REMEMBER YOUR SECOND HALF PAYMENT IS DUE IN MARCH
AND THAT NO ADDITIONAL NOTIFICATION IS SENT.

0600000000200003532080000176604627393000074

TONTU HILLS UTILITY CO.

"Hook Up FEES"

AND DISBURSEMENTS DURING 2006

Hook up fund CARRY OVER
FROM 2005

7,500.00

Hook up FEES ADDED BY
6-31-06

DIEBNAH LOT 30

3,000.00

SPURGIN LOT 72

3,000.00

SUBTOTAL

13,500.00

COST OF

2 A/F TREATMENT/TRANSFER

TO CITY OF SCOTTSDALE

14,793.76

<13,490.00>

SUBTOTAL

13,037.6

SUPPLEMENTARY CHRG (710)

<13,037.6>

FROM T.H.U.C.

BALANCE REMAINING 6-22-06
IS 10.00 TO KEEP ACCOUNT OPEN

BALANCE AT 6-22-06

10.00

10-27-06 ADDED HOOKUP FEE - CARR - LOT 75

3,000.00

BALANCE - END OF 2006

3,010.00

CHK DATED
10-27-06

LOT 75

MARK DAVID CARR
PH. 480-926-6589
1101 S WESTERN SKIES DR.
GILBERT, AZ 85296

91-2161
1221
12313346

1885

10-27-06

Pay to the order of Tonto Hills Utility \$ 3815.00
Three thousand eight hundred fifteen ^{00/100}

BANKTONE.
JPMorgan Chase Bank, N.A.
Phoenix, Arizona 85073

12313346 1885

BREAKDOWN

Hookup FEE	- 3000 ⁰⁰
CONNECTION FEE	800 ⁰⁰
ESTABLISHMENT	15 ⁰⁰
CHK TOTAL	<u>3815⁰⁰</u>

(3-22-06)

MARY I. DEBNAM
KENT DEBNAM
PHONE 602-956-1839
3401 E. POINSETTIA DR.
PHOENIX AZ 85028

6452

7-22-06

P1-527/1221 2047
0822657805

Pay to the
Order of

Tonto Hills Utility Company

\$ 3000.00

Three thousand

Dollars



Wells Fargo Bank, N.A.
Phoenix, Arizona

Valued



⑆ 122105278⑆ 0822657805⑆ 06452

Lot 30

CREDIT GUY CONSULTING INC.
480-595-8685
P.O. BOX 7129
CAVE CREEK, AZ 85327-7129

12-01

1125

Date 4-14-06

91-170/1221 AZ
8419

Pay to the
order of

Tonto Hills Utility Co.

\$ 3000-

Three thousand and 00/100

Dollars



Security Features
are available
online at bankofamerica.com

Bank of America.



ACH R/T 122101706

For

LOT 72

Male Spurgin

⑆122101706⑆ 004675762915⑈ 1125

LOT 72

CREDIT GUY CONSULTING INC.
480-595-8685
P.O. BOX 7129
CAVE CREEK, AZ 85327-7129

12-01

1124

Date 4-14-06

91-170/1221 AZ
8419

Pay to the
order of

Tonto Hills Utility Co

\$ 815-

Eight hundred fifteen and 00/100

Dollars



Security Features
are available
online at bankofamerica.com

Bank of America.



ACH R/T 122101706

For

LOT 72

Male Spurgin

⑆122101706⑆ 004675762915⑈ 1124

LOT 72

City of Scottsdale Cash Transmittal

Transmittal # : 62620

Transmittal Date : 6/22/2006

Received From :

Bill To :

TONTO HILLS UTILITY COMPANY
37611 N CAVE CREEK RD STE A
CAVE CREEK, AZ 85331
480-488-0253

TONTO HILLS UTILITY COMPANY
37611 N CAVE CREEK RD STE A
CAVE CREEK, AZ 85331
480-488-0253

Reference # : 1999-135-COS

Paid Date : 6/22/2006

Address : 11802 E BLUE WASH RD, CAVE CREEK 85331

Payment Type : CHECK

MCR : Subdivision :

Lot # :

Marketing Name :

BMP : QS : Water Zone : E County : NO Metes/Bounds : NO

Water Type : Sewer Type :

Gross Lot Area : 0 NAOS Lot Area : 0 Net Lot Area : 0

of Units : 1 Density : Meter Size :

Owner Information :

TONTO HILLS UTILITY COMPANY
37611 N CAVE CREEK RD STE A
CAVE CREEK, AZ 85331
480-488-0253

Code Description	Additional	Qty	Amount	Account Number
7161 WATER SYS FEE-SF-ZONE B-E	623-00623	1	\$14,498.00	621-00621-47201
7184 WATER SYS ADMIN FEE-SF-ZONE B-E	623-00623	1	\$1.35	621-00621-47407
7161 WATER SYS FEE-SF-ZONE B-E	623-00623	1	\$294.41	621-00621-47201
		Total	\$14,793.76	

Applicant Signature

(When a credit card is used as payment I agree to pay the above total amount according to the Card Issuer Agreement.)
TO HAVE WATER METER SET - CALL 312-5650 AND REFER TO TRANSMITTAL # 62620

TONTO HILLS UTILITY COMPANY

6702 E. CAVE CREEK ROAD STE. 4
CAVE CREEK, AZ 85331

COMPASS BANK

91-574/1221

6/22/2006

PAY
TO THE
ORDER OF CITY OF SCOTTSDALE

\$ 1,303.76

One Thousand Three Hundred Three and 76/100

DOLLARS

CITY OF SCOTTSDALE

MEMO

AUTHORIZED SIGNATURE

⑈000710⑈ ⑆122105744⑆ 6003201024⑈

TONTO HILLS UTILITY COMPANY

0710

CITY OF SCOTTSDALE

6/22/2006

1,303.76



Compass Bank

CASHIER'S CHECK

THE PURCHASE OF AN INDEMNITY BOND MAY BE REQUIRED
BEFORE A LOST OR STOLEN OFFICIAL CHECK CAN BE REPLACED.

4485887465

22-1676
960

Remitter TONTO HILLS UTILITY CO

06/20/2006

PAY TO THE ORDER OF **CITY OF SCOTTSDALE**

\$ 13,490.00

THIRTEEN THOUSAND FOUR HUNDRED NINETY and 00/100

Dollars

CITY/LOCATION Scottsdale

ARIZONA

UseForm - CB20554 10/99

Sarah Rogers

AUTHORIZED SIGNATURE
ISSUER ACCEPTS AS DRAWER/DRAVEE

PAYABLE THROUGH
US BANK
ST. PAUL, MN

⑈096016765⑈00448 58874654⑈

Exhibit "C-1"
WATER NEED REPORT
(For Non-Residential Development Only)

Owner name: Tonto Hills Utility Company

Date: 6-19-06

Project Name: Agreement for Treatment and Transportation of Water Delivered Through the CAP Canal
Between the City of Scottsdale and Tonto Hills Utility Company

Agreement Number: 1999-135-COS

Fee Calculation Table:

(1)	Total capacity desired for use in a Calendar Year	gallons / year	10427232
(2)	Total capacity purchased prior to this date for use in a calendar year	gallons / year	9,775,530
(3)	Additional capacity to be purchased for use in a calendar year (Line (1) minus line (2))	gallons / year	651,702
(4)	Divide line (3) by the number of days in a year		365
(5)	Additional capacity to be purchased (Average Daily Use)	gallons / day	1785.48
(6)	Water Development Fee in effect at this time for Zone B-E in Dollars per gallon / day		\$8.10
(7)	Sub-Total Fees (multiply line (5) by line (6))		\$14,498.00
(8)	2.04% Administration Fee (multiply line (7) by 0.0204)		\$295.76
(9)	TOTAL FEES (line (7) plus line (8))		\$14,793.76

I am an officer of the above referenced company and I have prepared the above calculations.
I am aware of the penalties and fines that will be enforced against the company, if the average
annual water usage in any year exceeds the quantity purchased by ten percent (10%) or more.

TONTO HILLS UTILITY COMPANY

BY: Donald J. Unthank
Signature

PRES.
Title

Date: 6-19-06

BY: DONALD J. UNTHANK
Typed Name of party signing

Phone Number: 1804880253

